

## Bio-direct – A farmers' webshop, Switzerland

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### The initiative

Bio-direct is a very innovative approach of farmers to improve their marketing position by establishing the online market platform and distribution system [www.bio-direct.ch](http://www.bio-direct.ch). The company has been founded by three organic farmers and two IT specialists who launched the web-shop in August 2005.



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### The Business

- Approximately 1,000 products: organic food products, organic beverages, detergents, wellness products
- 80% of the products from two Swiss organic wholesalers
- Food specialities supplied by regional organic farmers and small food processors (including the three initiators)
- Main target group: households with double job holders and families with children

### The strategy

Bio-direct follows a strategy of quality differentiation in chain networks, which include both producers and consumers. While not focussing on a particular region they are developing a new market for organic products that goes beyond direct selling and includes a high degree of services.



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### Producer-Consumer link

Bio-direct directly links the producers with the consumers. In addition, the farmers working in this initiative have assumed further supply chain activities. They have thus enlarged their scope of activity from purely producing to trading and marketing. In comparison to rather traditional marketing outlets, the main advantage of the web-shop is seen in the possibility to scale up the number of customers.

### Strong features

- Founded not only by farmers but also by two IT specialists: enhanced human capital and extended network contacts, made it possible to develop the online market platform exploit new consumer trends.
- Shared values and attitudes: facilitates a coherent business strategy, and supports mobilization of individual human capitals for collective action.
- High social capital that bonds the members together: helps to develop jointly appropriate solutions to overcome potential problems in the future.



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### The future challenge

For the future, bio-direct needs to attract more customers and to improve its price and product policy. This requires improvements in the areas of internet-marketing and business administration. In view of the limited financial resources, self-experiences will probably remain the most important source to enhance the existing stock of human capital. A strategic alliance with a new partner might be of great value to gain more customers, to have access to further human capital and to ensure a further successful development.

